

OGC HAS REVIEWED.

1 June 1951

MEMORANDUM FOR: DEPUTY DIRECTOR FOR PLANS

SUBJECT: Non-Reimbursable Supply by Defense

STATINTL

I discussed with [] the problem raised by Mr. Dulles and the proposals to talk over with Mr. McNeil.

No immediate or specific project or requirements are involved, but the question was raised by Mr. McNeil in connection with the paper for NSC consideration, asking for a determination on the magnitude of CIA operations. If a decision is made greatly to widen the scope of its operations, the problem of procurement becomes even more difficult than at present and presents a formidable budget problem, if chargeable to CIA.

As you know, I believe the procurement can be done by Defense without direct reimbursement from CIA and without further legislation.

Mr. McNeil apparently expects a visit from CIA for an exploratory discussion. [] understood that [] was to go.

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LAWRENCE R. HOUSTON
General Counsel

LRHouston/McD